

Why was my tax refund garnished?

When you get a ticket for a traffic violation or other infraction in Indiana, you might have to pay a fine to the court. When a ticket is left unpaid, the amount owed can be taken from your state tax refund and paid to the court toward your unpaid balance.

This process is outlined in the tax intercept statute (IC 6-8.1-9.5), which authorizes garnishment of tax refund money to pay for a variety of unpaid costs and fees you may owe to the state. In the case of unpaid traffic tickets, this is done in partnership between the Indiana Department of Revenue (DOR), the State Board of Accounts, and the Division of State Court Administration and **only applies to traffic tickets filed in courts that use the state's Odyssey case management system.**

There are other state agencies that also work with the DOR to collect unpaid fees, so if your tax refund has been garnished, an unpaid traffic ticket is just one possible reason.

What do I need to do?

Pay the ticket immediately to avoid having your tax refund garnished.

If you received a letter from the Division of State Court Administration about the garnishment, you have 30 days from the date of the letter to pay.

If you do not pay the ticket and instead allow the DOR to deduct the amount you owe from your state tax refund, **a 15% processing fee will be assessed, and only the remaining 85% will be paid to the court and applied toward your balance.**

That means you will still owe the remaining 15% to the court to settle your unpaid balance, and if you do not pay, your next state tax refund will again be subject to garnishment. Also, if your driver's license is suspended for non-payment, it will continue to be suspended until the balance is paid.

<http://www.in.gov/judiciary/4181.htm>